

**Supplemental Reporting Document
Table of Contents
September 2005 Investment Committee Meeting
(July 2005 Reporting Period)**

Activity Reports

Alternative Investment Management Program Activity Report
Risk Managed Absolute Return Strategies Program Activity Report
Real Estate Opportunistic Program Activity Report

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September 19, 2005

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Activity Reports
- II. PROGRAMS:** Alternative Investment Management (AIM)
Risk Managed Absolute Return Strategies (RMARS)
Real Estate Opportunistic (REO)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

Staff from AIM, RMARS, and REO are required to report the status of investment proposals received by their respective program on a monthly basis. Staff from these areas have prepared activity reports for the month of July 2005.

V. STRATEGIC PLAN:

Goal IV, assure that sufficient funds are available, first, to pay benefits and, second, to minimize and stabilize employer contributions.

Members of the Investment Committee
September 19, 2005
Page 2

VI. RESULTS:

Attached are results containing the status of investment proposals received by AIM, RMARS, and REO.

Greg Hood
Division Chief, Investment Office

Anne Stausboll
Assistant Executive Officer

Mark Anson
Chief Investment Officer



***** OPEN SESSION MATERIAL *****
AIM PROGRAM
SUMMARY MONTHLY REPORT: PROPOSALS IN PROCESS
REPORT PERIOD: 7/1/2005 TO 7/31/2005

ACTIVITY SUMMARIZED	ACTIVITY FOR REPORT PERIOD	2002	2003	2004	2005 YTD	Since Program Inception
<u>INVESTMENT ACTIVITY</u>						
Investment Proposals Received	31	251	298	381	176	5641
Declined/Referred/Failed to Materialize	6	260	206	223	266	4429
Deals in Screening	102	251	298	397	177	2654
Due Diligence Reviews	29	17	25	65	33	479
<u>AMOUNTS (\$ in millions)</u>						
Authorized	\$523.0	\$531.0	\$995.0	\$1,697.5	1928	\$25,336.3

Notes:

- Current YTD information is through the end of the report period.
- Deals in Screening and Due Diligence reviews for the activity report period represent deals remaining in Screening and Due Diligence at the end of the report period. For all other time periods, deals in Screening and Due Diligence represent deals which entered Screening or Due Diligence during that time period.

July 2005

MANAGER ACTIVITY	2001	2002	2003	2004	2005	Since Program Inception
Information Received	88	170	181	59	37	535
Declined	34	81	108	11	0	234
Screening	48	80	72	45	37	282
Full Due Dilligence Review	0	15	1	5	9	30
Approved by ARS Board	0	13	1	5	9	28
MANAGER AMOUNTS (\$ in millions)						
Funded	\$0	\$485	\$95	\$149	\$278	\$1,006

**Real Estate Investment Office
Opportunistic/International Fund Program
July 31, 2005**

Fund Name	Product Type	Sector		Allocation Committed		Net Expected Return
Apollo Fund V	Mixed: Retail, Office, Industrial, etc.	Opportunistic		\$50,000,000		14.0%
RLJ Urban Lodging Fund	Hotel	Opportunistic		\$25,000,000		15-17%
San Diego Smart Growth Fund	Workforce Housing	Opportunistic		\$60,000,000		18.0%
Starwood Hospitality Fund I	Hotel	Opportunistic		\$200,000,000		20.0%
Triton Pacific	Mixed: Retail, Office, Industrial, etc.	Opportunistic		\$50,000,000		15-17%
Hines Brazil	Industrial - "For Sale" Housing	International		\$95,000,000		20.0%
Hines Mexico	Retail - "For Sale" Housing	International		\$94,500,000		20.0%
Macquarie Asia	Mixed: Retail, Office, Industrial, etc.	International		\$100,000,000		20.0%
Macquarie Europe	Mixed: Retail, Office, Industrial, etc.	International		\$100,000,000		17.0%
Secured Capital II	Distressed/New Apartments, etc.	International		\$119,000,000		17-20%
		Total		\$893,500,000		